

# Hyperinflation Lesson

Entrance task: Shake someone's hand and say something nice to them

Today: Hyperinflation in Post-war Germany

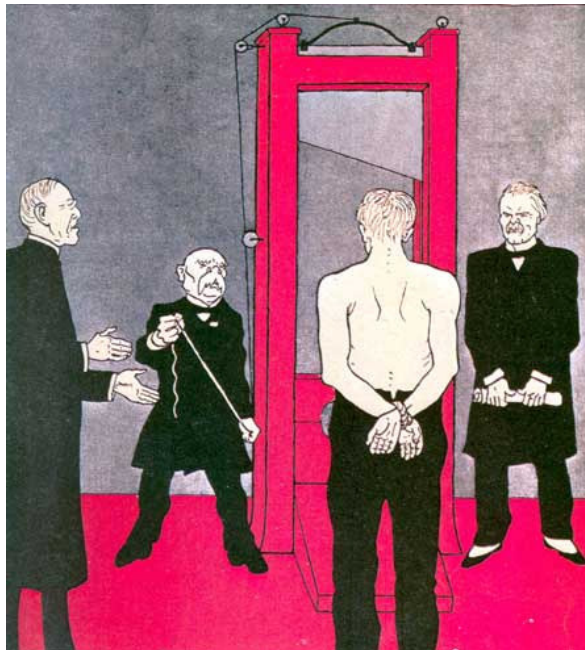
Homework:



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## Treaty of Versailles

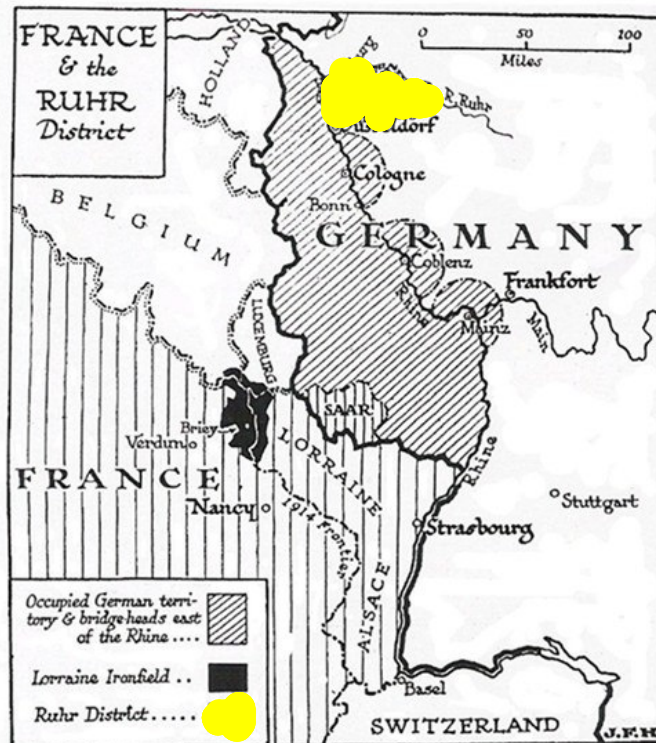
What is the main idea of this political cartoon?  
The images reflect Wilson, Clemenceau, Lloyd-George, and Germany



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1923 - France & Belgium occupy the Ruhr Valley to get reparations as Germany falls into default with reparation payments

German workers went on strike, bringing the German economy to a near-halt



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## Hyperinflation in Germany



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**Daily Express**

<<http://www.spartacus.schoolnet.co.uk/Jexpress.htm>>  
(24th February, 1923)

A Berlin couple who were about to celebrate their golden wedding anniversary received an official letter advising them that the mayor, in accordance with Prussian custom, would call and present them with a donation of money. Next morning the mayor, accompanied by several officials in robes, arrived at the old couple's house, and carefully gave them 1,000,000,000,000 marks which was worth one halfpenny in British money.



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## Hyperinflation in Germany

### Date Rates in Marks

Apr 1, 1921	0.60	(1 US cent)
Jan 1, 1922	2	(3.33 cents)
Jul 1, 1922	3	(5.5 cents)
Oct 1, 1922	6	(11 cents)
Nov 15, 1922	12	(22 cents)
Dec 15, 1922	25	(43 cents)
Jan 15, 1923	50	(86 cents)
Mar 1, 1923	100	(\$1.72)



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## Hyperinflation in Germany

July 1, 1923	300	\$5
Aug 1, 1923	1,000	\$16.66
Aug 24, 1923	20,000	\$333
Sep 1, 1923	75,000	\$1,250
Sep 20, 1923	250,000	\$4,162
Oct 1, 1923	2,000,000	\$33,333
Oct 10, 1923	5,000,000	\$83,333
Oct 20, 1923	10,000,000	\$166,666



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## Hyperinflation in Germany

Nov 1, 1923	100,000,000	\$1,666,666
Nov 5, 1923	1,000,000,000	\$16,666,666
Nov 12, 1923	10,000,000,000	\$166,666,666
Nov 20, 1923	20,000,000,000	\$333,333,332
Nov 26, 1923	80,000,000,000	\$1,333,333,332
Dec 1, 1923	100,000,000,000	LOTS OF \$\$\$\$\$\$

or 0.10 new marks!

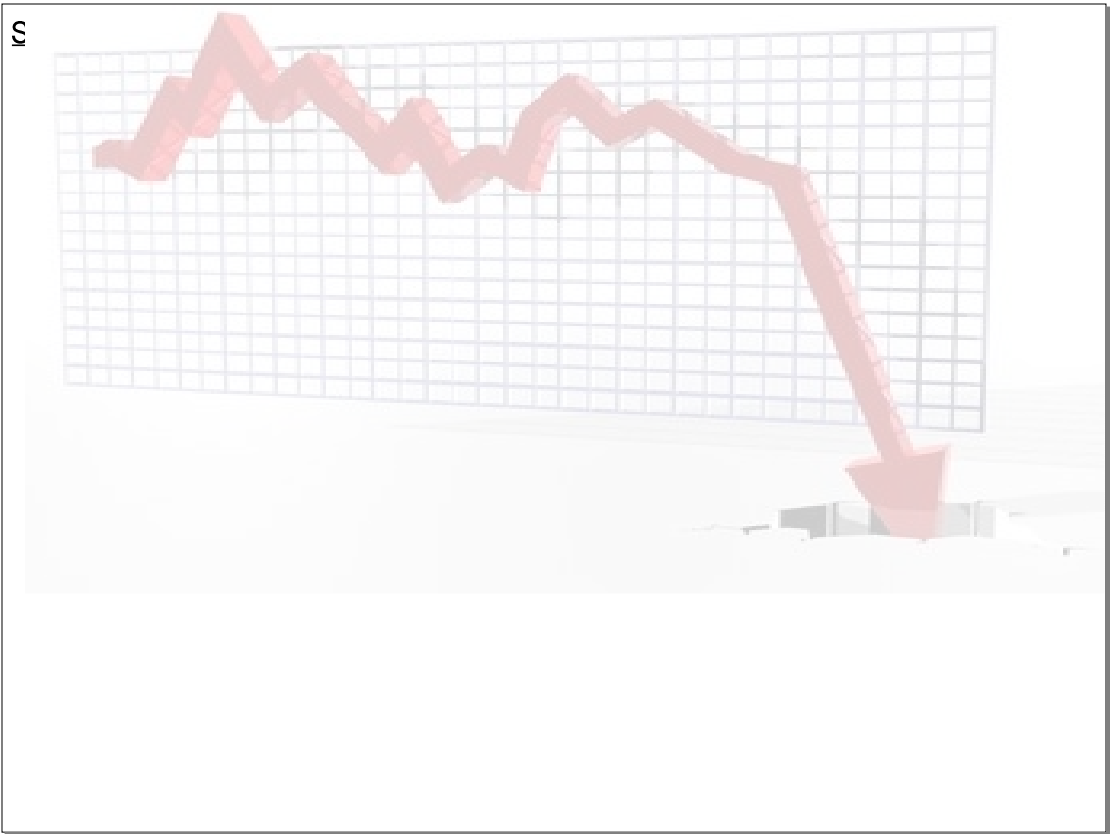
At the height of hyperinflation,  
\$1 US was = 4 trillion German marks



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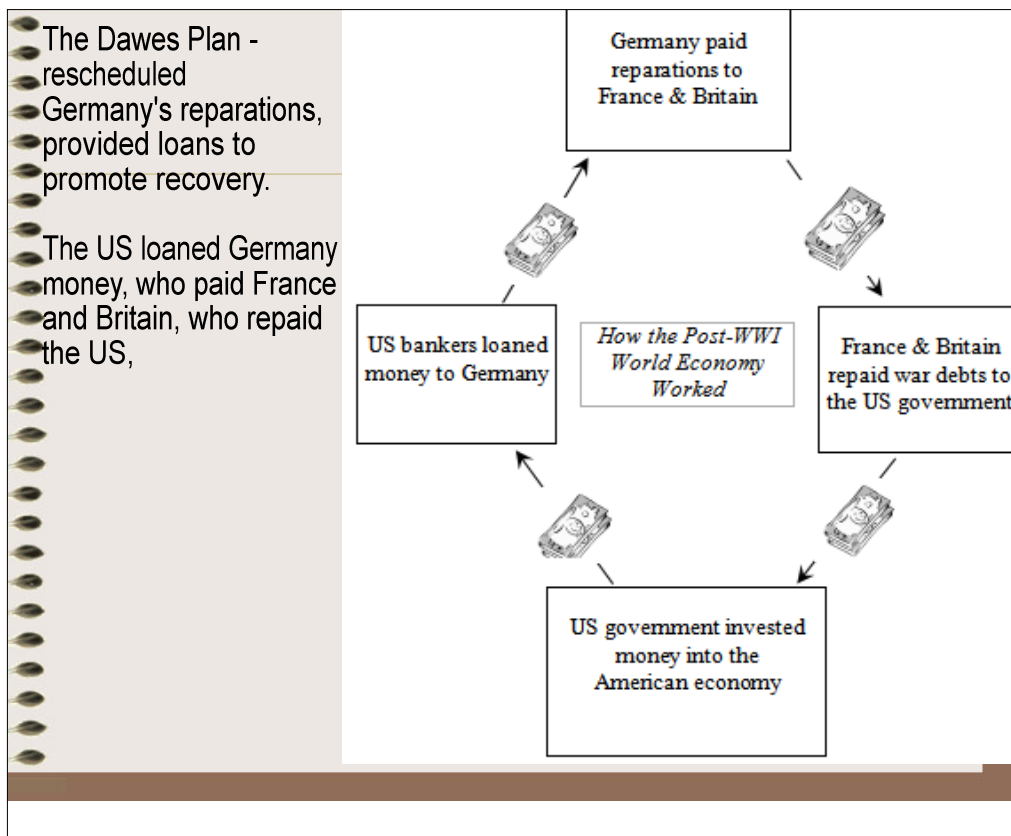


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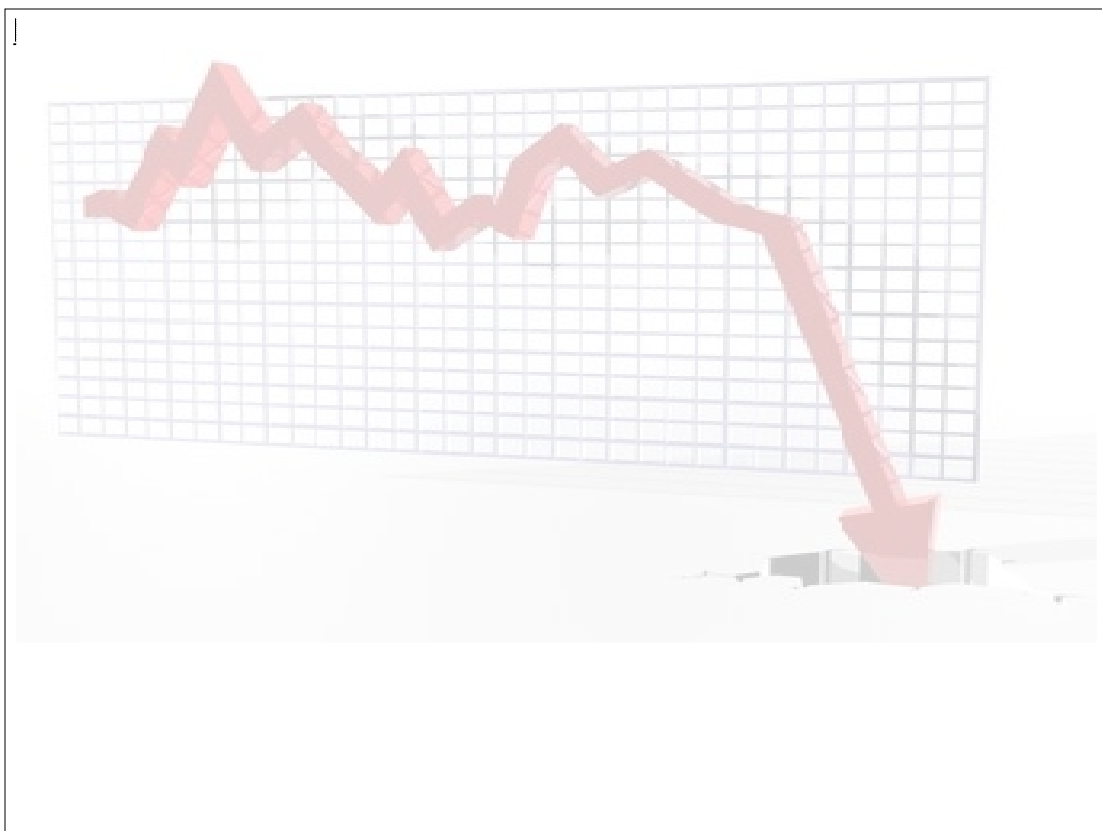


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**Scandinavian countries (Denmark, Sweden, Norway)**

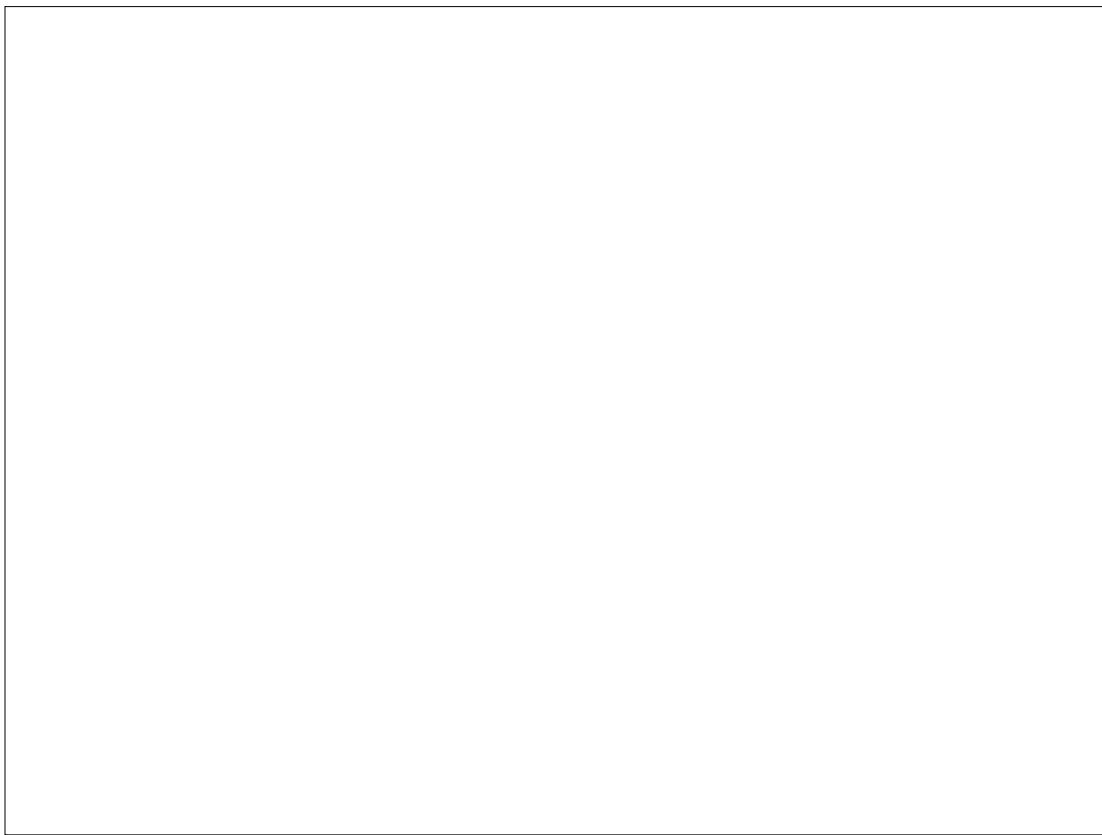
- \* built their recovery programs on cooperative community action.
- \* Sweden - govt. sponsored massive public works programs
- \* all raised pensions for the elderly and increased unemployment insurance, subsidies for housing, and other welfare benefits paid for by taxes on all citizens.

**USA - Pres. Franklin D. Roosevelt developed the *New Deal*, a program for recovery**

- \* large public works programs provided jobs
- \* public money spend on welfare and relief programs
- \* banking and stock market regulations

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